

# FISCAL NOTE

## HB 832

February 23, 2005

**SUMMARY OF BILL:** Authorizes any county legislative body to impose a realty transfer tax not to exceed an unspecified rate on each sale of real property in the county upon the adoption of a resolution by two-thirds vote of the county legislative body.

### ESTIMATED FISCAL IMPACT:

**Other Fiscal Impact - Impact to local governments is dependent upon the number of adopted county resolutions and the rate of tax imposed on each transfer of property. To the extent 50% of all Tennessee counties adopt the necessary resolutions and impose realty transfer taxes at the established state rate, local government revenues could increase by \$90.0 million per year.**

#### Assumptions:

- This bill provides local governments taxing authority on property transfers within their jurisdictions.
- Counties use state realty transfer tax rate of \$0.37 per \$100.00 (with a maximum of \$100,000).
- State realty transfer tax collections for FY2004 were approximately \$180.0 million.
- Impact to local governments is dependent upon the number of adopted county resolutions and the rate of tax imposed on each transfer of property.
- To the extent 50% of all Tennessee counties adopt the necessary resolutions and impose realty transfer taxes at the established state rate, local government revenues could increase by \$90.0 million per year.

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director